

Senate File 2215 - Introduced

SENATE FILE _____
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SF 2022)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a tool and die lien Act.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 5741SV 82
4 rh/nh/24

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1 1 Section 1. NEW SECTION. 572A.1 SHORT TITLE.
1 2 This chapter shall be known and may be cited as the "Tool
1 3 and Die Lien Act".
1 4 Sec. 2. NEW SECTION. 572A.2 DEFINITIONS.
1 5 For the purposes of this chapter, the following definitions
1 6 shall have the following meanings:
1 7 1. "Customer" means any person or entity who contracted
1 8 with or caused a plastic or metal processor to use a tool,
1 9 die, mold, jig, fixture, form, or pattern to manufacture,
1 10 assemble, or otherwise make plastic or metal components or
1 11 products.
1 12 2. "Processor" means any person or entity including but
1 13 not limited to a tool or die maker, who uses a tool, die,
1 14 mold, jig, fixture, form, or pattern to manufacture, assemble,
1 15 or otherwise make a plastic or metal product or products for a
1 16 customer, pursuant to a contract or otherwise.
1 17 3. "Special tool" means a tool, die, mold, jig, fixture,
1 18 form, pattern, or part used to manufacture, assemble, or
1 19 otherwise make plastic or metal components or products.
1 20 4. "Toolmaker" means a person including but not limited to
1 21 a mold builder, model maker, patternmaker, molder, die maker,
1 22 metal former, jig and fixture builder, die sinker, die caster,
1 23 mold designer, mold programmer, die designer, die programmer,
1 24 and mold or die engineer who fabricates, cuts, casts, forms,
1 25 or designs molds for the plastic industry or dies for the
1 26 metal forming industry.
1 27 Sec. 3. NEW SECTION. 572A.3 LIEN.
1 28 1. A processor shall have a lien on the tools, dies,
1 29 molds, jigs, fixtures, forms, or patterns in the processor's
1 30 possession belonging to a customer, for the balance due the
1 31 processor or person from such customer for plastic or metal
1 32 processing work, subject only to a security interest properly
1 33 perfected pursuant to article 9 of the uniform commercial code
1 34 as provided in chapter 554.
1 35 2. A toolmaker has a lien on all special tools produced by
2 1 the toolmaker for the balance due for production of the
2 2 special tool, subject only to a security interest properly
2 3 perfected pursuant to article 9 of the uniform commercial code
2 4 as provided in chapter 554.
2 5 3. For the purposes of subsection 2, all of the following
2 6 shall apply:
2 7 a. The lien attaches when the special tool is delivered
2 8 from the toolmaker to the customer.
2 9 b. The amount of the lien is the amount that a customer or
2 10 processor owes the toolmaker for the fabrication, repair, or
2 11 modification of the special tool.
2 12 c. The toolmaker retains the lien even if the toolmaker is
2 13 not in possession of the special tool for which the lien is
2 14 claimed.
2 15 Sec. 4. NEW SECTION. 572A.4 NOTICE.
2 16 1. Before enforcing a lien as provided for in section
2 17 572A.3, subsection 1, an initial notice in writing shall be
2 18 given to the customer, either delivered personally or sent by
2 19 registered mail to the last known address of the customer.

2 20 The notice shall state that a lien is claimed in the amount
2 21 set forth in or in an attachment to the notice for processing
2 22 work contracted or performed for the customer. The notice
2 23 shall also include a demand for payment.
2 24 2. Before enforcing a lien as provided in section 572A.3,
2 25 subsection 2, an initial notice in writing shall be given to
2 26 the customer and processor, either delivered personally or
2 27 sent by registered mail to the last known address of the
2 28 customer and the processor. The notice shall state that a
2 29 lien is claimed in the amount set forth in or in an attachment
2 30 to the notice for the fabrication, repair, or modification of
2 31 the special tool. The notice shall also include a demand for
2 32 payment.
2 33 Sec. 5. NEW SECTION. 572A.5 SALE OF SPECIAL TOOL ==
2 34 PROCESSOR.
2 35 If a processor has not been paid the amount due within
3 1 ninety days after the initial written notice has been received
3 2 by the customer as provided in section 572A.4, subsection 1,
3 3 the processor may sell the special tool at a public auction if
3 4 both of the following occur:
3 5 1. The special tool is still in the processor's
3 6 possession.
3 7 2. The processor complies with section 572A.7.
3 8 Sec. 6. NEW SECTION. 572A.6 POSSESSION OF SPECIAL TOOL
3 9 == TOOLMAKER.
3 10 1. If a toolmaker has not been paid the amount due within
3 11 ninety days after the initial notice is received by the
3 12 customer and by the processor, the toolmaker has a right to
3 13 possession of the special tool and may do any of the
3 14 following:
3 15 a. Enforce the right to possession of the special tool by
3 16 judgment, foreclosure, or any available judicial procedure.
3 17 b. Commence a civil action in district court to enforce
3 18 the lien, including by obtaining a judgment for the amount
3 19 owed and a judgment permitting the special tool to be sold at
3 20 an execution sale.
3 21 c. Take possession of the special tool, if possession
3 22 without judicial process can be taken without breach of the
3 23 peace.
3 24 d. Sell the special tool in a public auction if the
3 25 toolmaker complies with section 572A.8.
3 26 2. A toolmaker that suffers damages under this chapter may
3 27 obtain appropriate legal and equitable relief, including
3 28 damages, in a civil action. The court shall award a toolmaker
3 29 that is the prevailing party reasonable attorney fees, court
3 30 costs, and expenses related to enforcement of the lien.
3 31 Sec. 7. NEW SECTION. 572A.7 SECOND NOTICE == PUBLICATION
3 32 == SALE BY PROCESSOR.
3 33 1. Before a processor sells the special tool, the
3 34 processor shall provide a second written notice to the
3 35 customer, by registered mail, return receipt requested. The
4 1 second notice shall include all of the following information:
4 2 a. The processor's intention to sell the special tool.
4 3 b. A description of the special tool to be sold.
4 4 c. The time and place of the sale.
4 5 d. An itemized statement for the amount due.
4 6 2. In addition to the notice by mail provided pursuant to
4 7 subsection 1, the processor shall publish in a newspaper of
4 8 general circulation in the location where the special tool is
4 9 being held for sale by the processor, notice of the
4 10 processor's intention to sell the special tool. The notice
4 11 shall include a description of the special tool and name of
4 12 the customer.
4 13 Sec. 8. NEW SECTION. 572A.8 SECOND NOTICE == PUBLICATION
4 14 == SALE BY TOOLMAKER.
4 15 1. Before a toolmaker may sell the special tool, the
4 16 toolmaker shall provide a second written notice to the
4 17 customer and processor, by registered mail, return receipt
4 18 requested. The second notice shall include all of the
4 19 following information:
4 20 a. The toolmaker's intention to sell the special tool.
4 21 b. A description of the special tool to be sold.
4 22 c. The time and place of the sale.
4 23 d. An itemized statement for the amount due.
4 24 2. In addition to the notice by mail provided pursuant to
4 25 subsection 1, the toolmaker shall publish in a newspaper of
4 26 general circulation in the location where the special tool is
4 27 being held for sale by the toolmaker, notice of the
4 28 toolmaker's intention to sell the special tool. The notice
4 29 shall include a description of the special tool and name of
4 30 the customer and processor.

4 31 Sec. 9. NEW SECTION. 572A.9 INSPECTION == SALE FOR
4 32 AMOUNT EXCEEDING LIEN == FEDERAL PREEMPTION.

4 33 1. Prior to the sale of any special tool in accordance
4 34 with this chapter, such item must be available for inspection,
4 35 upon request, by members of the public during normal business
5 1 hours for a period of at least two weeks prior to the sale.

5 2 2. If the sale is for a sum greater than the amount of the
5 3 lien, the excess shall be paid to any prior lienholder and any
5 4 remainder to the customer and the processor.

5 5 3. A sale shall not be made or a possession shall not be
5 6 obtained under this chapter if it would be in violation of any
5 7 right of a customer or a processor under federal patent,
5 8 bankruptcy, or copyright law.

5 9 EXPLANATION

5 10 This bill creates the tool and die lien Act.

5 11 The bill creates a lien for a plastic or metal processor on
5 12 the tools, dies, molds, jigs, fixtures, forms, or patterns in
5 13 the plastic or metal processor's possession belonging to a
5 14 customer for the balance due from such customer for plastic or
5 15 metal processing work. The bill also creates a lien for a
5 16 toolmaker on all special tools produced by the toolmaker for
5 17 the balance due for production of the special tool. The bill
5 18 provides that a toolmaker must deliver the special tool to the
5 19 customer to create the lien.

5 20 The bill provides that prior to enforcing a lien under the
5 21 bill, the processor shall give an initial notice to the
5 22 customer. Such notice shall be delivered either personally or
5 23 by registered mail and shall state the amount owed and include
5 24 a demand for payment. The bill provides that if the processor
5 25 has not been paid within 90 days after receipt of the initial
5 26 notice, the processor may sell the special tool at a public
5 27 auction if the processor is in possession of the tool, has
5 28 sent a second notice to the customer informing the customer of
5 29 the sale, has published notice of the sale in a newspaper, and
5 30 has made the special tool available for public inspection.

5 31 The bill provides that prior to enforcing a lien under the
5 32 bill, a toolmaker shall give an initial notice to the
5 33 customer. Such notice shall be delivered either personally or
5 34 by registered mail and shall state the amount owed and include
5 35 a demand for payment. The bill provides that if a toolmaker
6 1 has not been paid within 90 days after receipt of the initial
6 2 notice, the toolmaker may enforce the right to possession of
6 3 the special tool through court action, take possession of the
6 4 special tool, or sell the special tool at a public auction if
6 5 the processor is in possession of the tool, has sent a second
6 6 notice to the customer informing the customer of the sale, has
6 7 published notice of the sale in a newspaper, and has made the
6 8 special tool available for public inspection. The bill also
6 9 provides that a toolmaker who suffers damages under the bill
6 10 may obtain appropriate legal and equitable relief, including
6 11 damages and reasonable attorney fees and court costs.

6 12 A "processor" is defined as a person or entity including
6 13 but not limited to a tool or die maker, who uses a tool, die,
6 14 mold, jig, fixture, form, or pattern to manufacture, assemble,
6 15 or otherwise make a plastic or metal product or products for a
6 16 customer, pursuant to a contract or otherwise. A "toolmaker"
6 17 is defined as a person including but not limited to a mold
6 18 builder, model maker, patternmaker, molder, die maker, metal
6 19 former, jig and fixture builder, die sinker, die caster, mold
6 20 designer, mold programmer, die designer, die programmer, and
6 21 mold or die engineer who fabricates, cuts, casts, forms, or
6 22 designs molds for the plastic industry or dies for the metal
6 23 forming industry. A "special tool" is defined as a tool, die,
6 24 mold, jig, fixture, form, pattern, or part used to
6 25 manufacture, assemble, or otherwise make plastic or metal
6 26 components or products.

6 27 LSB 5741SV 82

6 28 rh/nh/24